

State of Missouri
Office of Secretary of State

Case No. AP-12-12

IN THE MATTER OF:

MOORE FINANCIAL MANAGEMENT;
and DANNY MOORE, CRD No. 1402817,

Respondents.

Serve: Moore Financial Management at:
Registered Agent: Danny Moore
12980 Metcalf, Suite 350
Overland Park, Kansas 66213

Serve: Danny M. Moore at:
15501 West 90th Street
Lenexa, Kansas 66219

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW
CAUSE WHY RESTITUTION, CIVIL PENALTIES, AND
COSTS SHOULD NOT BE IMPOSED**

On March 15, 2012, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through the Securities Division's Chief Enforcement Counsel Kristine Sonnett Kauflin, and Deputy Enforcement Counsel Corinne Muller, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

I. FINDINGS OF FACT

1. Moore Financial Management ("MFM"), is a Kansas limited liability company with a last known mailing address of 7450 West 130th Street, Suite 140, Overland Park, Kansas 66213. MFM's registered agent for service of process is Danny Moore at 12980 Metcalf, Suite 350, Overland Park, Kansas 66213.
2. Danny M. Moore ("Moore") is a Kansas resident with a last known mailing address of 15501 W. 90th Street, Lenexa, Kansas 66219. Moore has Central Registration Depository System ("CRD") number 1402817, but has never been registered to sell securities in the State of Missouri. Moore was licensed to sell insurance with the Missouri Department of Insurance, Financial Institutions, and Professional Registration from December 2, 2006 to December 1, 2008.

3. On September 4, 1998, the Kansas Securities Commissioner ("KSC") issued a Consent Order, *In The Matter of Danny Martin Moore and Michael Earl McCune*, Docket Number 98E063, K.S.C. 1997-3307 (KSC, 1998), requiring that Moore immediately cease and desist from engaging in business as an investment adviser until Moore was properly registered. Moore was ordered to pay a five thousand dollar (\$5,000) fine.
4. On December 21, 2009, Moore was convicted and sentenced to twelve (12) months in prison (suspended) and two (2) years felony probation in Johnson County, Kansas, for securities fraud in *State of Kansas v. Danny M. Moore*, case number 09CR01987.
5. On December 21, 2009, the KSC issued a Consent Order, *In The Matter of Danny M. Moore*, Docket Number 10E014, K.S.C. 2008-5451 (KSC, 2009), barring Moore from association with any broker-dealer, agent, investment adviser or investment adviser representative registered in the State of Kansas.
6. On September 16, 2011, the KSC issued a Cease and Desist Order against Moore, *In The Matter of Danny M. Moore their Representatives or Agents*, Docket Number 12E007, K.S.C. 2010-5724 (KSC, 2011), for soliciting funds from investors in the amount of one million one hundred eighty-five thousand dollars (\$1,185,000), while Moore was on felony probation. The Order states that Moore failed to disclose Moore's felony conviction for securities fraud to investors and that none of the investors were aware that Moore was on probation.
7. As used herein, the term "Respondents" refers to MFM and Moore.
8. On October 14, 2011, the Enforcement Section contacted a seventy-two (72) year-old Kansas City, Missouri resident ("MR1"). MR1 stated, among other things, that:
 - a. MR1 met Moore through a referral from Union Bank in 2007 or 2008;¹
 - b. Moore transferred MR1's existing annuity to a different company in 2007 or 2008; and
 - c. Sometime in late 2009 or early 2010, Moore contacted MR1 about an investment opportunity in MFM. Moore told MR1, among other things, that:
 - i. eleven (11) other individuals had invested with Moore and MFM;
 - ii. the funds would be used for advertising MFM;
 - iii. MR1 would receive an eight and one-half (8.5%) percent return;
 - iv. the investment was low risk;
 - v. Moore would issue MR1 a promissory note;
 - vi. the promissory note would be renewable every six (6) months; and
 - vii. MR1 could terminate the promissory note at any time and receive a refund of MR1's investment principal.

- 11 On December 1, 2011, Moore appeared for an on-the-record examination by representatives of the Enforcement Section. During this examination, Moore stated, among other things, that Moore and Union Bank had an informal relationship whereby Union Bank would refer customers to Moore for investment consultations. Upon information and belief, Moore had this relationship with several Union Bank locations.
9. On February 9, 2010, MR1 wrote a check in the amount of thirty-five thousand dollars (\$35,000) to MFM. These funds were deposited in MFM's bank account at People's Bank located in Overland Park, Kansas ("MFM Account").
 10. On or about February 9, 2010, Moore wrote a check for thirty-four thousand dollars (\$34,000) from the MFM Account to Moore's personal bank account at Valley View Bank located in Overland Park, Kansas ("Moore's Valley Account").
 11. On or about February 9, 2010, Moore issued MR1 a six (6) month promissory note that reflected, among other things, the following:
 - a. the note would pay thirty-five thousand dollars (\$35,000) together with interest at the rate of eight and one-half percent (8.5%) on August 9, 2010;
 - b. the note was "Collateralized by Moore Financial Management;" and
 - c. the note was "Insured by Aviva Life Insurance Company" ("Aviva").
 12. A review of the bank records for Moore's Valley Account revealed that MR1's investment was used, among other things, to pay:
 - a. Moore's 2008 income tax;
 - b. Moore's membership fees at Sam's Club;
 - c. Moore's purchases at Costco; and
 - d. a GMAC mortgage.
 13. MR1 received at least two (2) interest payments from MFM. Each interest payment was in the amount of one thousand four hundred eighty-seven dollars and fifty cents (\$1,487.50).
 14. Sometime in 2011, MR1 contacted Moore regarding a letter MR1 received from the Office of the KSC ("Kansas letter"). The Kansas letter informed MR1 of Moore's criminal conviction and the Kansas cease and desist order issued to Moore. Moore told MR1, among other things, that:
 - a. there was a "dealing" in which Moore sold securities without a license;
 - b. Moore was not allowed to sell securities again; and
 - c. the promissory note issued to MR1 was not a security.
 15. Sometime prior to July 22, 2011, MR1 requested that Moore return MR1's investment

in MFM.

16. On July 22, 2011, Moore wrote MR1 a check for thirty-six thousand nine hundred eighty-three dollars and thirty-two cents (\$36,983.32) from Moore's personal account at People's Bank located in Overland Park, Kansas ("Moore's People's Account"). This check was returned to Moore's bank for insufficient funds.
17. On July 25, 2011, Moore deposited sixty-five thousand dollars (\$65,000) from another Missouri investor into Moore's People's Account.
18. Subsequent to the July 25, 2011, deposit from another investor, Moore's check written to MR1 for thirty-six thousand nine hundred eighty-three dollars and thirty-two cents (\$36,983.32) cleared on July 25, 2011.
19. Prior to MR1's investment, MFM and Moore failed to disclose to MR1 that:
 - a. Moore had a prior felony conviction in Kansas for securities fraud;
 - b. Moore had two consent orders from the KSC in 1998 and 2009;
 - c. MR1's money would be used for membership fees at Sam's Club, purchases at Costco, and Moore's personal income taxes; and
 - d. Moore would pay MR1's promissory note with funds received from another investor.
20. On October 18, 2011, the Enforcement Section contacted a sixty-seven (67) year-old Blue Springs, Missouri resident ("MR2"). MR2 stated, among other things, that:
 - a. MR2 met Moore in or around 2001;
 - b. MR2 had a relative that purchased annuities through Moore; and
 - c. sometime in 2009, Moore contacted MR2 about an investment in MFM. Moore told MR2, among other things, that:
 - i. MR2's funds were going to be used to advertise MFM;
 - ii. thirteen (13) investors had already invested a total of three hundred thousand dollars (\$300,000);
 - iii. any profits generated from the advertising would be paid to the investors with eight percent (8%) interest;
 - iv. the investment was low risk;
 - v. Moore had been returning, on average, fourteen percent (14%) interest on Moore's advertising investments for a period of eight (8) years;
 - vi. Moore would issue MR2 a promissory note; and
 - vii. MR2 would receive interest payments twice a year, or every six (6) months.

21. On October 30, 2009, MR2 wrote a check in the amount of fifty thousand dollars (\$50,000) to Moore. These funds were deposited into Moore's Valley Account. Prior to the deposit of MR2's investment, the balance in Moore's Valley Account was two thousand nine hundred forty-one dollars and seventy cents (\$2,941.70).
22. A review of the bank records for Moore's Valley Account revealed that Moore used MR2's funds, among other things, for:
 - a. payment to the U.S. Treasury for Moore's 2007 income taxes in the amount of sixteen thousand dollars (\$16,000); and
 - b. a transfer of seventeen thousand dollars (\$17,000) to the MFM Account. A review of the bank records for the MFM Account revealed that the funds were used, among other things, to pay:
 - i. payroll wages for MFM employees;
 - ii. Blue Cross/Blue Shield; and
 - iii. rent for office space.
23. MR2 received at least one interest payment from Moore in the amount of two thousand dollars (\$2,000).
24. The Enforcement Section was unable to obtain a copy of the promissory note Moore issued to MR2.
25. Sometime in 2010, MR2's spouse discovered that Moore had a criminal conviction in the State of Kansas.
26. Subsequent to the discovery of Moore's conviction, MR2 contacted Moore and requested a return of MR2's funds.
27. On November 30, 2010, Moore wrote MR2 a check to return MR2's funds in the amount of fifty-two thousand dollars (\$52,000) from the MFM Account. This check was returned to MFM's bank for insufficient funds.
28. On December 6, 2010, Moore deposited sixty thousand dollars (\$60,000) in the MFM Account from another Missouri investor.
29. Subsequent to the December 6, 2010, deposit from another investor, Moore's check written to MR2 for fifty-two thousand dollars (\$52,000) cleared on December 7, 2010.
30. Prior to MR2's investment, MFM and Moore failed to disclose to MR2, among other things, that:
 - a. MR2's investment would be used to pay Moore's personal and business income taxes;
 - b. Moore would pay MR2's promissory note with funds received from another investor;

- c. Moore had a prior felony conviction in Kansas for securities fraud; and
 - d. Moore had two consent orders from the KSC in 1998 and 2009.
31. On October 24, 2011, the Enforcement Section contacted a sixty-five (65) year-old Flemington, Missouri resident (MR3). MR3 stated, among other things, that:
- a. MR3 met Moore sometime between 2001 and 2002 through Union Bank;
 - b. Moore assisted MR3 with a retirement plan; and
 - c. sometime prior to May 2010, Moore contacted MR3 regarding an investment opportunity in MFM. Moore told MR3, among other things, that:
 - i. MR3's investment in MFM would help Moore "take over companies that were going under;"
 - ii. if Moore received enough funding, Moore could take control of the companies;
 - iii. Moore would issue MR3 a promissory note;
 - iv. the duration of the promissory note would be six (6) months;
 - v. MR4 would receive a ten (10%) percent return on the promissory note;
 - vi. the investment was low risk because Moore had a life insurance policy through Aviva that would cover MR3's investment should anything go wrong; and
 - vii. MR3 could renew the promissory note every six (6) months.
32. On May 4, 2010, MR3 wrote a check to MFM in the amount of twenty-five thousand dollars (\$25,000). MR3's check was deposited in the MFM Account.
33. On or about May 4, 2010, Moore issued MR3 a promissory note which provided that, among other things:
- a. MR3 would receive twenty-five thousand dollars (\$25,000), together with interest at the rate of ten (10%) percent;
 - b. the principal and interest would be paid on November 4, 2010;
 - c. "In lieu of 1099B-Moore Financial Management will pay the tax;"
 - d. the note was "Collateralized by Moore Financial Management;" and
 - e. the note was "Insured by Aviva Life Insurance Company."
34. A review of the MFM Account shows that MR3's funds were used, among other things, to pay:
- a. wages for MFM employees;

- b. a promissory note held by another Moore investor; and
 - c. rent for MFM office space.
- 35. Moore paid at least two (2) interest payments to MR3 from the MFM Account in the amounts of one thousand two hundred fifty dollars (\$1,250) each.
- 36. Notations on MR3's promissory note indicate MR3 renewed the note twice.
- 37. MR3's promissory note came due on November 4, 2011.
- 38. Sometime after November 4, 2011, MR3 requested Moore return MR3's investment.
- 39. On January 24, 2012, MR3 received a check from Moore for principal and interest in the amount of twenty-six thousand two hundred fifty dollars (\$26,250).
- 40. Prior to MR3's investment, Moore and MFM failed to disclose to MR3, among other things, that:
 - a. MR3's investment would be used to pay another Moore investor;
 - b. Moore had a prior felony conviction in Kansas for securities fraud; and
 - c. Moore had two consent orders from KSC in 1998 and 2009.
- 41. On December 30, 2011, the Enforcement Section made contact with a seventy-nine (79) year-old Raytown, Missouri resident ("MR4"). MR4 stated, among other things, that:
 - a. MR4 has known Moore for many years;
 - b. MR4 was an existing customer of Moore and MFM, although he had never invested in MFM;
 - c. Moore solicited MR4 to invest in MFM in an amount of over two hundred thousand dollars (\$200,000);
 - d. Moore told MR4 that MR4 would receive ten percent (10%) interest on MR4's investment; and
 - e. Moore recommended that MR4 surrender MR4's annuity with Liberty Life Insurance Company ("Liberty Life") to obtain the funds to invest with Moore and MFM.
- 42. On or before December 28, 2011, Moore filled out an "Annuity Partial Withdrawal & Full Surrender Form" ("Surrender Form") on behalf of MR4 and forwarded the Surrender Form to Liberty Life. The Surrender Form included, among other things, a written note by Moore that stated "Please overnight check. Need ASAP-Before year end. Crucial!"
- 43. On December 28, 2011, Liberty Life issued MR4 a check for two hundred thirteen thousand two hundred one dollars and seventy-five cents (\$213,201.75) for the

surrender value of MR4's annuity.

44. MR4 paid Liberty Life a surrender charge of thirteen thousand five hundred ninety-two dollars and forty-one cents (\$13,592.41). Prior to the surrender of MR4's annuity, Moore failed to disclose to MR4 that MR4 would pay a surrender charge.
45. Moore prepared a "Current Financial Assessment" ("Assessment") for MR4, dated December 28, 2011. The Assessment set forth, among other things:
 - a. a comparison of MR4's current annuity with the proposed investment in MFM. This comparison reflects a higher interest rate and lower surrender charge with the MFM investment; and
 - b. instructions for MR4 to wire transfer the majority of the funds from the Liberty Life annuity liquidation to Moore's account at Quest Credit Union.
46. After Moore solicited MR4 to invest, MR4 spoke to a Union Bank representative and the Union Bank representative directed MR4 to contact Kansas authorities regarding Moore.
47. MR4 contacted the KSC and the Enforcement Section. MR4 learned that:
 - a. Moore was convicted of securities fraud in Kansas in 2009;
 - b. the KSC issued a cease and desist order against Moore in 2011; and
 - c. the Enforcement Section had a pending investigation of Moore and MFM.
48. Moore left four (4) voice messages for MR4 within hours regarding the investment in MFM. During these voice messages, Moore stated, among other things, that:
 - a. it was "imperative" to have the money transferred to the new account;
 - b. Moore would pick up MR4 to take MR4 to the bank to deposit the funds;
 - c. the deposit of MR4's check had "to be taken care of today;"
 - d. "when you make a lot of money for someone it's sort of a special deal . . . and that's what this is;"
 - e. Moore needed MR4's help and needed it "really bad;" and
 - f. "You can trust me on this one."
49. After speaking with Office of the KSC and the Enforcement Section, MR4 declined to invest with Moore.
50. During Moore's solicitation of MR4, Moore failed to disclose to MR4 that:
 - a. Moore had a prior felony conviction in Kansas for securities fraud;
 - b. Moore had two consent orders from KSC in 1998 and 2009; and

- c. Moore had a prior cease and desist order from the KSC in 2011.
51. On December 1, 2011, Moore appeared for an on-the-record examination by representatives of the Enforcement Section ("Moore's OTR"). During Moore's OTR, Moore stated, among other things, that:
- a. Moore has never been licensed or registered to sell securities;
 - b. Moore used investor funds to "keep MFM running" and for cash flow;
 - c. Moore never had an advertising plan for MFM;
 - d. advertising for MFM consisted of sponsorship of school and church events;
 - e. when a promissory note contained the statement, "Collateralized by Moore Financial Management" Moore simply meant that Moore would "pay the loan off;"
 - f. Moore had a total of approximately nine hundred thousand dollars (\$900,000) in outstanding promissory notes that Moore represented were insured by Aviva;
 - g. Moore's death benefits on Moore's Aviva life insurance policies totaled approximately five hundred ninety-six thousand (\$596,000); and
 - h. Moore had not assigned to investors any rights to receive payments from any of Moore's life insurance policies.
52. The Enforcement Section's investigation revealed, among other things, that between 2009 and 2011, Moore raised over one million four hundred and seventy-five thousand dollars (\$1,475,000) from at least thirty (30) investors, twenty-two (22) of whom were Missouri residents.
53. A check of the records maintained by the Commissioner confirmed that:
- a. the investments offered by Moore were not registered in the State of Missouri; and
 - b. Moore has never been registered to offer or sell securities in the State of Missouri.

II. STATUTORY PROVISIONS

54. Section 409.1-102(1), RSMo. (Cum. Supp. 2011), defines "Agent" as "an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. But a partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions is an agent only if the individual otherwise comes within the term. The term does not include an individual excluded by rule adopted or order issued under this act."
55. Section 409.1-102(4), RSMo. (Cum. Supp. 2011), defines "Broker-dealer" as "a

person engaged in the business of effecting transactions in securities for the account of others or for the person's own account"

56. Section 409.1-102(15), RSMo. (Cum. Supp. 2011), defines "Investment adviser" as "a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing or selling securities or that, for compensation and as part of a regular business issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related service, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation."
57. Section 409.1-102(17), RSMo. (Cum. Supp. 2011), defines "Issuer" as "a person that issues or proposes to issue a security"
58. Section 409.1-102(19), RSMo. (Cum. Supp. 2011), defines "Offer to purchase" as "an attempt to offer to obtain, or solicitation of an offer to sell, a security or interest in a security for value. The term does not include a tender offer that is subject to Section 14(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78n(d))."
59. Section 409.1-102(25), RSMo. (Cum. Supp. 2011), defines "Record" as "information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form."
60. Section 409.1-102(26), RSMo. (Cum. Supp. 2011), defines "Sale" as "every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and 'offer to sell' includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value."
61. Section 409.1-102(28), RSMo. (Cum. Supp. 2011), defines "Security" as "a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest of participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or in general, an interest or instrument commonly known as a 'security'; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing."
62. Section 409.3-301, RSMo. (Cum. Supp. 2011), states:

It is unlawful for a person to offer or sell a security in this state unless:

- (1) The security is a federal covered security;
- (2) The security, transaction, or offer is exempted from registration under sections

409.2-201 to 409.2-203; or

(3)The security is registered under this act.

63. Section 409.4-402(a), RSMo. (Cum. Supp. 2011), states:

It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection (b).

64. Section 409.4-402(d), RSMo. (Cum. Supp. 2011), states:

It is unlawful for a broker-dealer, or an issuer engaged in offering, selling, or purchasing securities in this state, to employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection (a) or exempt from registration under subsection (b).

65. Section 409.5-501, RSMo. (Cum. Supp. 2011), states:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

(1)To employ a device, scheme, or artifice to defraud;

(2)To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading; or

(3)To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

66. Section 409.6-601, RSMo. (Cum. Supp. 2011), states:

(a)This act shall be administered by the commissioner of securities who shall be appointed by and act under the direction of the secretary of state, and shall receive compensation as provided by law.

67. Section 409.6-602, RSMo. (Cum. Supp. 2011), states:

(a)The commissioner may:

(1)Conduct public or private investigations within or outside of this state which the commissioner considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate this act or a rule adopted or order issued under this act, or to aid in the enforcement of this act or in the

adoption of rules and forms under this act;

(2)Require or permit a person to testify, file a statement, or produce a record, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning a matter to be investigated or about which an action or proceeding is to be instituted;

(3)Publish a record concerning an action, proceeding, or an investigation under, or a violation of, this act or a rule adopted or order issued under this act if the commissioner determines it is necessary or appropriate in the public interest and for the protection of investors;

...

(b)For the purpose of an investigation under this act, the commissioner or its designated officer may administer oaths and affirmations, subpoena witnesses, seek compulsion of attendance, take evidence, require the filing of statements, and require the production of any records that the commissioner considers relevant or material to the investigation.

68. Section 409.6-604, RSMo. (Cum. Supp. 2011), states:

(a)If the commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or that a person has materially aided . . . an act, practice or course of business constituting a violation of this act . . . the commissioner may:

(1)Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act;

(2)Require or permit a person to testify, file a statement, or produce a record, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning a matter to be investigated or about which an action or proceeding is to be instituted;

(3)Publish a record concerning an action, proceeding, or an investigation under, or a violation of, this act or a rule adopted or order issued under this act if the commissioner determines it is necessary or appropriate in the public interest and for the protection of investors;

(b)An order under subsection (a) is effective on the date of issuance. Upon issuance of the order, the commissioner shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement whether the commissioner will seek a civil penalty or costs of the investigation, a statement of the reasons for the order, and notice that, within fifteen days after receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a person subject to the order does not request a hearing and none is ordered by the commissioner within thirty days after the date of service of the

order, the order becomes final as to that person by operation of law. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

(c) If a hearing is requested or ordered pursuant to subsection (b), a hearing before the commissioner must be provided. A final order may not be issued unless the commissioner makes findings of fact and conclusions of law in a record in accordance with the provisions of chapter 536, RSMo, and procedural rules promulgated by the commissioner. The final order may make final, vacate, or modify the order issued under subsection (a).

(d) In a final order under subsection (c), the commissioner may:

(1) Impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation;

(2) Order a person subject to the order to pay restitution for any loss, including the amount of any actual damages that may have been caused by the conduct and interest at the rate of eight percent per year from the date of the violation causing the loss or disgorge any profits arising from the violation;

(3) In addition to any civil penalty otherwise provided by law, impose an additional civil penalty not to exceed five thousand dollars for each such violation if the commissioner finds that a person subject to the order has violated any provision of this act and that such violation was committed against an elderly or disabled person. For purposes of this section, the following terms mean:

(A) 'Disabled person', a person with a physical or mental impairment that substantially limits one or more of the major life activities of such individual, a record of such impairment, or being regarded as having such an impairment;

(B) 'Elderly person', a person sixty years of age or older.

(e) In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act or a rule adopted or order issued under this act. These funds may be paid into the investor education and protection fund.

69. Section 409.6-605(b), RSMo. (Cum. Supp. 2011), states:

Under this act, a rule or form may not be adopted or amended, or an order issued or amended, unless the commissioner finds that the rule, form, order, or amendment is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes intended by this act. In adopting, amending, and repealing rules and forms, section 409.6-608 applies in order to achieve uniformity among the states and coordination with federal laws in the form and content of registration statements, applications, reports, and other

records, including the adoption of uniform rules, forms, and procedures.

III. CONCLUSIONS OF LAW

Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities

70. Paragraphs 1 through 69 are incorporated by reference as though fully set forth herein.
71. Respondents offered and sold a security as those terms are defined in Sections 409.1-102(26) and (28), RSMo. (Cum. Supp. 2011).
72. At all times relevant, records maintained by the Commissioner contained no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the securities offered and sold by Respondents.
73. MR1, MR2, MR3, and MR4 were over the age of sixty (60) years old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2011), at the time of Respondents' offer and sale of these securities.
74. Respondents violated Section 409.3-301, RSMo. (Cum. Supp. 2011), when they offered and sold securities in Missouri without the securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, RSMo. (Cum. Supp. 2011), or (3) registered under the Missouri Securities Act of 2003.
75. Respondents actions of offering and selling securities that were not registered, exempt from federal covered security constitute an illegal act, practice, or course of business and thus such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2011).

Multiple Violations of Transacting Business as an Unregistered Agent

76. Paragraphs 1 through 69 are incorporated by reference as though fully set forth herein.
77. At all times relevant, records maintained by the Commissioner contained no registration or granted exemption for Respondent Moore to transact business as an agent in the State of Missouri.
78. MR1, MR2, MR3, and MR4 were over the age of sixty (60) years old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2011), at the time Respondent Moore transacted business as an unregistered agent.
79. Respondent Moore violated Section 409.4-402(a), RSMo. (Cum. Supp. 2011), when he offered and sold securities to Missouri investors without being registered or exempt from registration as an agent.
80. Respondent Moore's actions in transacting business as an unregistered agent constitute an illegal act, practice, or courses of business and thus such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum.

Supp. 2011).

Multiple Violations of Employing an Unregistered Agent

81. Paragraphs 1 through 69 are incorporated by reference as though fully set forth herein.
82. Respondent MFM employed Respondent Moore who transacted business as an agent in the State of Missouri on behalf of Respondent MFM.
83. At all times relevant, records maintained by the Commissioner contained no registration or granted exemption for any agents of Respondent MFM to transact business in the State of Missouri.
84. MR1, MR2, MR3, and MR4 were over the age of sixty (60) years old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2011), at the time Respondent Moore transacted business as an unregistered agent.
85. Respondent MFM violated Section 409.4-402(d), RSMo. (Cum. Supp. 2011), when it employed an unregistered agent who transacted business in the State of Missouri.
86. Respondent MFM's actions of employing an unregistered agent who transacted business in this state constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2011).

Multiple Violations of Making an Untrue Statement and/or Omitting to State Material Facts in Connection with the Offer or Sale of a Security

87. Paragraphs 1 through 69 are incorporated by reference as though fully set forth herein.
88. In connection with the offer, sale or purchase of a security, Respondents made an untrue statement of material fact to MR1, MR2, and/or MR3, including but not limited to, the following:
 - a. stating to MR1 that the promissory notes were not securities;
 - b. stating to MR1 and MR2 that investor funds would be used for MFM advertising;
 - c. stating to MR1, MR2 and MR3 that the investments were low risk;
 - d. stating to MR1 and MR3 that Moore had an Aviva life insurance policy that would protect investors' funds;
 - e. stating to MR1 and MR3 that MFM would "collateralize" the promissory notes to; and/or
 - f. stating to MR2 that profits generated from MFM advertising would be paid to investors.

89. In connection with the offer, sale, or purchase of a security to MR1, MR2, MR3, and MR4, Respondents omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the following:
- a. Moore has never been registered to sell securities in Missouri;
 - b. Moore was arrested and convicted of securities fraud in 2009 by the State of Kansas and was placed on probation;
 - c. Moore had been issued two (2) prior consent orders and a cease and desist order by the KSC;
 - d. Moore would use investor funds for, among other things, Moore's personal expenses and to pay other investors; and/or
 - e. investor's principal and interest would be paid using funds received from other investors of Moore and MFM.
90. MR1, MR2, MR3, and MR4 were all over the age of sixty (60) years old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2011), at the time of Respondents' actions in making untrue statements and/or omitting to state material facts.
91. Respondents violated Section 409.5-501, RSMo. (Cum. Supp. 2011), when they made untrue statements and omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading.
92. The actions of Respondents in making untrue statements and in omitting to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, constitute an illegal act, practice, or course of business and thus such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2011).

Violation of Engaging in an Act Practice, or Course of Business That Would Operate as a Fraud or Deceit Upon Another Person

93. Paragraphs 1 through 70 are incorporated by reference as though fully set forth herein.
94. In connection with the offer of a security in Missouri, Respondents engaged in an act, practice, or course of business that would operate as a fraud or deceit upon MR4 by:
- a. telling MR4 that an investment in MFM would pay a higher interest than MR4 was earning on MR4's existing annuity;
 - b. prevailing upon MR4 to surrender MR4's annuity;
 - c. failing to disclose the surrender fee MR4 would incur for the surrender of the annuity before the annuity was surrendered; and

- d. using high pressure tactics, to wit, repeated phone calls and voice messages stressing the time sensitive nature of investing with Respondents, to entice MR4, an elderly Missouri resident to invest funds from MR4's annuity in MFM.
- 95. MR4 was over the age of sixty (60) years old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2011), at the time of Respondents' actions in engaging in an act, practice, or course of business that would operate as a fraud or deceit upon MR4.
- 96. Respondents violated Section 409.5-501(3), RSMo. (Cum. Supp. 2011), when they engaged in an act, practice, or course of business that would operate as a fraud or deceit upon MR4.
- 97. The actions of Respondents in engaging in an act, practice or course of business that operated as a fraud or deceit, constitute an illegal act, practice, or course of business and thus such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2011).
- 98. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003. See Section 409.6-605(b), RSMo. (Cum. Supp. 2011).

IV. ORDER

NOW, THEREFORE, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this order are prohibited from:

- A. violating or materially aiding in any violation of Section 409.3-301, RSMo. (Cum. Supp. 2011), by offering or selling any securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2011), in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-301;
- B. violating or materially aiding in any violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2011), by transacting business as an unregistered agent;
- C. violating or materially aiding in any violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2011), by employing an unregistered agent; and
- D. violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2011), by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2011), in a final order, unless Respondents request a hearing and show cause why the penalty should

not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to twenty thousand dollars (\$20,000) against each Respondent for four violations of Section 409.3-301, RSMo. (Cum. Supp. 2011), committed against an elderly person, in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of civil a penalty of up to ten thousand dollars (\$10,000) against Respondent Moore, for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2011), in a final order, unless Respondent Moore requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to twenty thousand dollars (\$20,000) against Respondent Moore for four violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2011), committed against an elderly person, in a final order, unless Respondent Moore requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against Respondent MFM, for multiple violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2011), in a final order, unless Respondent MFM requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to twenty thousand dollars (\$20,000) against Respondent MFM for four violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2011), committed against an elderly person, in a final order, unless Respondent MFM requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against each Respondent, for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2011), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to twenty thousand dollars (\$20,000) against each Respondent for at least four violations of Section 409.5-501, RSMo. (Cum. Supp. 2011), committed against an elderly person, in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, as the Enforcement Section has petitioned for an order of restitution, the Commissioner will determine whether to order Respondents to pay restitution for any loss, possibly to include the amount of any actual damages that may have been caused by the conduct of Respondent, and interest at the rate of eight percent per year from the date of the violation causing the loss, or disgorge any profits, arising from the violation of Sections 409.3-301, 409.4-402, and 409.5-501, RSMo. (Cum. Supp. 2011), after review of evidence submitted by the Enforcement Section, in a final order, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), unless Respondents request a hearing and show cause why this restitution or disgorgement should not be imposed.

IT IS FURTHER ORDERED that, as the Enforcement Section has petitioned for an award for the costs of the investigation against Respondents in this proceeding the commissioner will issue a final order, pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2011), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why such award should not be made.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 20TH DAY OF MARCH, 2012.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES



State of Missouri
Office of Secretary of State

Case No. AP-12-12

IN THE MATTER OF:

MOORE FINANCIAL MANAGEMENT;
and DANNY MOORE, CRD No. 1402817

Respondents.

Serve: Moore Financial Management at:
Registered Agent: Danny Moore
12980 Metcalf, Suite 350
Overland Park, Kansas 66213

Serve: Danny M. Moore at:
15501 West 90th Street
Lenexa, Kansas 66219

NOTICE

TO: Respondents and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Section 409.6-604(b), RSMo. (Cum. Supp. 2011), and 15 CSR 30-55.020.

Within fifteen (15) days after receipt of a request in a record from a person or persons subject to this order, the Commissioner will schedule this matter for hearing.

A request for a hearing must be mailed or delivered, in writing, to:

Matthew D. Kitzi, Commissioner of Securities
Office of the Secretary of State, Missouri
600 West Main Street, Room 229
Jefferson City, Missouri 65102

CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of March, 2012, a copy of the Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed in the above styled case was **mailed by Certified U.S. mail to:**

Moore Financial Management
Registered Agent: Danny Moore
12980 Metcalf, Suite 350
Overland Park, Kansas 66213

Danny Moore
15501 West 90th Street
Lenexa, Kansas 66219

And via hand-delivery to:

Kristine Sonnett Kauflin
Chief Enforcement Counsel

Missouri Securities Division

Corinne Muller
Deputy Enforcement Counsel
Missouri Securities Division

John Hale, Specialist